



June 21, 2010

Arizona Corporation Commission  
Utilities Division Director  
1200 West Washington  
Phoenix, AZ 85007-2996

RE: Docket No. W-01651-99-0351  
Decision No. 62450  
Decision Compliance Status Report

Dear Sir or Madam:

Regarding the action to submit annual reports beginning July 1, 2001 detailing the progress of plans to use CAP water directly in Vail Water's service territory and plans for actual construction of any necessary facilities, please be advised that we are investigating alternative plans to use the CAP water in our service territory but no physical action has taken place to date. Vail Water has had discussions with Tucson Water about a potential wheeling agreement that could result in CAP water being used directly into its service area.

If you have any questions please do not hesitate to contact me at (520) 571-1958, extension 105 or via fax at (520) 571-1961.

Sincerely,

Christopher T. Volpe  
Vice President

Arizona Corporation Commission

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